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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 04/29/09

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#### Articles

1) Japan to take strict measures against swine flu

ASAHI (Page 2) (Abridged)  
April 29, 2009

In April, the World Health Organization (WHO) released its revised guidelines against the new type of influenza. The newly released

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guidelines classify the new influenza into "serious," "medium," and "slight" conditions, based on an overall judgment of such factors as the new virus' toxicity and extent. The old guidelines were based on avian flu, the human fatality rate of which is said to be 60%.

The Japanese government also has its own action plan against the new type of influenza, but the action plan only says the new influenza is presumed to break out from highly toxic H5N1 avian flu. The action plan, first created in 2005, has ever been revised four times. However, there has been no change in that presumption.

Japan's guidelines include a measure that requires mass restraint. If and when, for example, a single person is reported to be infected in a prefecture, that prefecture and neighboring prefectures will be asked to close schools in wide-ranging areas. If a school is closed, parents will be affected in their work.

With WHO's Phase 4 declaration, the government has now recognized the swine influenza as a new type of influenza. As a result, the Ministry of Health, Labor and Welfare can easily set forth countermeasures, including steps to be taken under the Infectious Disease Law. The ministry yesterday announced that passengers boarding international flights from North America to Japan would be subject to onboard quarantine in principle. Anyone from the area where the new flu broke out will be isolated. Those who had strong contact with someone from that affected area will be asked to stand by for a while.

Do Japan's anti-flu guidelines remain strict? In point of fact, the health ministry, according to one of its officials, was aware that it would have to revise its guidelines so Japan can take flexible measures like the United States and WHO. "We wanted to do so when we revised the guidelines in February this year," the official said. "But," the official added, "we couldn't do so because there were some other points to revise."

2) New strain of flu: SDF medical officers to be dispatched to quarantine station: 30 to Narita Airport; Also to carry out carry onboard inspection

NIKKEI (Page 2) (Full)  
April 29, 2009

In its effort to block the outbreak of a new strain of flu at

borders, the government has decided to dispatch 10 medical officers and 20 nurses from the Self-Defense Forces to the quarantine center at the Narita Airport. There is concern about a shortage of quarantine officers, as the destinations of flights from countries where the new strain of flu is spread are to be limited to four airports. The Ministry of Health, Labor and Welfare has asked the SDF for help in order to cope with the situation.

The length of one dispatch will be for a week to two weeks. As long as an alert phase 4 or over 4 continues, the SDF will continue to assist quarantine operations. Their assistance includes thermographic inspection of passengers arrived in Japan and in-board inspection.

Strengthening the quarantine system is a pillar of measures to block the outbreak at borders. However, there is growing concern among government officials about a personnel shortage.

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Approximately 360 quarantine officers are assigned at more than 100 airports and ports throughout the country. It is not easy to concentrate them in specific places. There are about 350 animal quarantine officers in the agriculture ministry. However, they are preoccupied with BSE inspections and other time-consuming works. The staff shortage has thus long been in place.

3) Lower House to ask lawmakers to voluntarily refrain from traveling to U.S.

NIKKEI (Page 2) (Full)  
April 29, 2009

Following the spread of the infection of a new strain of flu, the Lower House Diet Steering Committee at its board meeting on April 28 decided to ask its members who plan to go to countries where the infection of a new strain of flu has been confirmed to voluntarily refrain from visiting there. Diet Steering Committee Chairman Kenji Kosaka revealed that he would cancel his plan to visit the U.S. during the Golden Week holidays.

Kosaka said that since (the Diet) only had enough Tamiflu and Relenza treatment agents for influenza in stock for several dozen members, it ordered the Lower House secretariat to secure enough medicine for all members (480) at the minimum. The Upper House the same day set up countermeasure headquarters headed by the deputy chief of the secretariat.

4) Swine flu infection spreads: Concern over negative impact on economy; Cancellations of overseas trips, drop in exports expected

ASAHI (Page 5) (Excerpts)  
April 29, 2009

The spreading swine flu infection has prompted increased concern over the impact on economic activities. Since the Golden Week holidays have just begun, the travel and airline industries are feeling alarmed at such a possibility. Some have pointed out that pandemics in the past pushed down the affected countries' gross domestic product (GDP). Should that occur, the weakening Japanese economy could suffer yet another setback.

In flu pandemics that occurred in the past, 40 million people reportedly died in the 1918 Spanish flu, and the 1957 outbreak of Asian flu reportedly claimed the lives of 2 million. According to an estimate made by the Nomura Securities Financial and Economic Research Center, the Asian flu pushed down the U.S.' GDP by 3.1%, and Japan's GDP by 2.6%.

In a recent case, exports to Asia, including China, slowed due to the spread of the severe acute respiratory syndrome (SARS), a new strain of pneumonia, in China in 2003. At the time, the Bank of Japan (BOJL) decided to adopt quantitative money easing measures in late April of the same year and supplied additional money to the market.

Mexico has been seriously affected by the swine flu. More than 100 people have reportedly died there. Japan and Mexico signed an economic partnership agreement (EPO) in 2004. Japan has raised import ceilings for pork and oranges from Mexico. In return, it has increased exports of automobiles and other products to the nation. According to the Finance Ministry's trade statistics, the value of

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Mexico-bound exports in 2008 accounted for 1.3% of Japan's exports. The value of imports from Mexico accounted for 0.5%. Nomura Securities estimates that if exports to Mexico decline as a result of a drop in trade, Japan's GDP will drop by 0.08%.

Since swine flu infection cases have been confirmed in the U.S. as well, the impact on overseas travel is also a matter for concern. Japan Airlines Director Yoshimasa Kanayama during a press conference on April 28 revealed that about 10% of reservations for seats for its flights between Narita Airport and Mexico City have been cancelled. He said: "We hope that the situation will be contained quickly. However, there is no knowing when that will be."

According to Nomura Securities, cancellations of 10% of overseas trips could push down the GDP by 0.03%. Japan Tourism Agency Director General Yoshiaki Honpo said: "If cancellations increase further, it could be a repetition of the SARS case. We need to deal with the situation in a cool-headed manner."

5) N. Korea starts nuclear reprocessing; Government alarmed, expecting test possibly at end of July

SANKEI (Page 1) (Full)  
April 29, 2009

North Korea has started activities for a second nuclear test, government sources revealed yesterday. The government found from its analysis of information about the facilities at Yongbyon in North Korea that North Korea has resumed reprocessing spent nuclear fuel rods. The government presumes that North Korea would carry out a nuclear test in three months at the shortest.

U.S. forces are also deploying WC-135C weather observation aircraft at Kadena Air Base to gather dust and other atmospheric substances and be able to detect nuclear testing. The U.S. military, frequently flying the WC-135C on surveillance missions, is now on the alert for North Korea's nuclear testing.

North Korea carried out its first nuclear test on Oct. 9, 2006. That nuclear test is believed to have been conducted at an underground site near Punggyeri, Kiljugun.

On April 5 this year, North Korea launched a long-range ballistic missile. The United Nations Security Council thereafter adopted a statement of its president to condemn North Korea's missile launch. North Korea reacted against this move and declared its intention to resume nuclear development. The UNSC Sanctions Committee designated North Korean firms to freeze their assets. Against this action, a North Korea foreign ministry spokesman clarified on April 25 that North Korea had started its work of reprocessing spent nuclear fuel rods.

On July 5, 2006, North Korea launched seven ballistic missiles, including a Taepodong-2 missile. After that, in October that year, the nuclear test was carried out. The Japanese government is therefore on the alert, predicting that North Korea will likely carry out another nuclear test three months down the road.

6) Aso to sound out China on close cooperation in fight against piracy

YOMIURI (Page 4) (Full)

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April 29, 2009

Prime Minister Taro Aso has decided that during his meetings with Chinese Premier Wen Jiabao and President Hu Jintao, scheduled to take place during his trip to China starting today, he will propose close bilateral cooperation and exchanges of information on UN peacekeeping operations (PKO) and measures against piracy off Somalia, Africa.

The prime minister will also announce that Japan will begin issuing entry visas to individual tourists from China this summer in order to promote exchanges between the two countries. Entry visas are currently only issued to group tourists from China. The two countries are also expected to agree on starting regular Haneda-Beijing flights this fall.

7) China sounds out Japan on a plan to carry out this year's Japan-China-ROK summit in June or August

SANKEI (Page 5) (Abridged slightly)  
April 29, 2009

The Chinese government has sounded out Japan on a plan to host this year's China-ROK-Japan summit in China's Tianjin either in June or August, it was learned yesterday. Neither month coincides with this year's G-8 summit to be held in early July in Italy's earthquake-stricken city of L'Aquila. Both dates are acceptable in view of the diplomatic timetable, according to a Foreign Ministry source. However, Prime Minister Taro Aso has yet to respond to the Chinese side because the matter is also connected with when to dissolve the House of Representatives.

China, which will celebrate its 60th anniversary this year, wants to finish the trilateral summit by summer before the October 1 National Foundation Day, around which many domestic events will take place. Such matters as the North Korean nuclear and missile issue, a joint response to the global financial crisis, and the situation in Northeast Asia are expected to be on the agenda.

The venue for the trilateral summit rotates among Japan, China and South Korea. Last year, Japan hosted the event in Dazaifu, Fukuoka Prefecture, where Prime Minister Aso was born. As this year's host, China is believed to have chosen Tianjin, Premier Wen Jiabao's hometown, to play up the atmosphere of friendship via mutual visits.

Prime Minister Aso is trying to determine when to dissolve the Lower House with an eye on prospects for the enactment of the fiscal 2009 supplemental budget and related bills. The prime minister has yet to respond to China's suggestion because both June and August might be linked to the timing for dissolving the lower chamber. The prime minister is apparently carefully studying the date to maintain his right to dissolve the chamber.

8) Chinese spokesperson: China's nuclear strategy is clear

NIKKEI (Page 2) (Full)  
April 29, 2009

The deputy spokesperson at China's Foreign Ministry yesterday at a press conference made this comment about the speech by Foreign Minister Harufumi Nakasone, in which he urged China to reduce its

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nuclear arsenal and disclose information about its program: "China has consistently called for a full ban on nuclear weapons and scrapping of arsenals. China's nuclear strategy is clear. There is absolutely no grounds for Japan to criticize us."

9) No new proposal on the northern territories: Aso

NIKKEI (Page 2) (Full)  
April 29, 2009

Prime Minister Taro Aso was asked yesterday in the Lower House plenary session about Government Representative Masataro Yachi having mentioned a return of 3.5 of the four northern islands (held by Russia). He replied, "He has deeply reflected on what he said; at

this point, I am not thinking about going beyond our current response." He added: "We will be paying close attention to Russia's response now. I myself am not thinking about making any new proposal."

10) Bill revising Defense Ministry Establishment Law to be enacted in current Diet session

ASAHI (Page 4) (Full)  
April 29, 2009

A bill amending the Defense Ministry Establishment Law was adopted by a majority from the Liberal Democratic Party, the Democratic Party of Japan, the New Komeito, and the People's New Party in a House of Representatives plenary session yesterday. The bill includes a measure to set up the new post of assistance to the defense ministry, a political appointee, as part of reform of the Defense Ministry. The bill, which was sent to the House of Councillors the same day, is expected to become law in the current Diet session.

The government's Council on Defense Ministry Reform compiled the revision bill, reflecting on a series of scandals involving the ministry, including a case of bribery by former Administrative Vice Defense Minister Takemasa Moriya. In an effort to strengthen the system to assist the defense minister, the post of counselor will be abolished, and the Defense Conference, which plays the role of an executive council in the ministry, will be legally designated as supreme deliberation body. The new legislation will enable the ministry to appoint (up to three) assistances to the defense minister on a non-full-time base. Arrangements will be made to enable to start implementing the measures by the end of this year.

11) Schism in DPJ evident over whether Ozawa should resign or stay on; Decision to be made after Golden Week holiday period

NIKKEI (Page 2) (Abridged slightly)  
April 29, 2009

A schism in the Democratic Party of Japan (DPJ) is growing over whether President Ichiro Ozawa should resign or stay on in connection with a donation scandal involving Nishimatsu Construction Co. In a press conference yesterday, Ozawa announced the postponement of the DPJ's independent survey for the next House of Representatives election that Ozawa was expected to use in making a decision on his course of action. Chances are becoming stronger that his decision will slip until after the Golden Week holiday period in early May. DPJ members hoping for Ozawa's resignation before the end

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of the month are growing more discontent.

In the press conference, Ozawa revealed that the party has yet to conduct the Lower House election survey, planned for sometime this month. Some in the party are saying that the party would not be able to win a victory in the Lower House election under the leadership of Ozawa. With that in mind, Ozawa emphatically said: "I'm aware of a variety of views in the party. At this point in time, I believe we can win. I am certain that we can win the public's trust."

Some in the party are persistently calling for Ozawa to stay on. Ahead of the press conference, Ozawa held a meeting with Vice President Hajime Ishii. In the meeting, Ishii told Ozawa: "We interviewed 70 individuals scheduled to run in the next Lower House election. Of them, only seven said they want to see Ozawa replaced."

Aware of the wishes of Ozawa who cares about the party's condition, Ishii directly asked Secretary General Yukio Hatoyama and Vice President Katsuya Okada, who is regarded as a major candidate to become Ozawa's successor, to support Ozawa. In response, Okada said: "I will support him for the time being, but the general public needs a thorough explanation."

In late March, Ozawa expressed his eagerness to conduct the Lower House election survey before the end of April. But he said in

yesterday's press conference, "We will do it when there are no speculations." There is an observation that Ozawa is waiting for the Nishimatsu scandal to cool down to turn things to his advantage.

Disappointment and frustration are spreading among those expecting Ozawa's voluntary resignation as DPJ president. In a Nikkei opinion poll, over 60% of people called for Ozawa's resignation. Support for the DPJ is also on the decline. The reason is because they see the need to shift the DPJ to a new system within April to make full-pledged preparations for the next Lower House election.

12) DPJ Ozawa calls for immediate total ban on corporate donations, indicates willingness to stay on

MAINICHI (Page 5) (Full)  
April 29, 2009

In a press conference at party headquarters yesterday, Democratic Party of Japan (DPJ) President Ichiro Ozawa said: "I see no harm in banning (political donations) immediately." He has instructed the party political reform promotion taskforce, headed by Katsuya Okada, to consider when the ban should be implemented.

The taskforce tried to unify views in its general meetings held on April 23 and 27, but opinions differed with some asserting that a grace period of three to five years should be set and others calling for an immediate ban. As a result, participants decided to hold off on making a final decision until just after the Golden Week holidays in May.

Ozawa said: "It's up to the members to reach a conclusion," but bearing in mind his secretary's arrest on suspicion of receiving illegal corporate donations, he emphasized: "There is no alternative to implementing a total ban."

The DPJ planned to conduct its own election survey by the end of

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this month. Revealing that the party has yet to carry it out, Ozawa said: "We will conduct it at an appropriate time for objective and fair survey results to be shown. A fair outcome will not be possible if a survey is conducted when (the scandal involving him) is being covered by the media." In reply to a question on whether he intends to step down, he renewed his eagerness to stay on, remarking: "At this time, I believe I can win public support (in the next House of Representatives election)."

Aso: "It doesn't make sense"

Prime Minister Taro Aso said before reporters about DPJ President Ichiro Ozawa's call for an immediate ban on political donations by companies and organizations: "Companies and organizations should be allowed freedom of choice, so his call for a ban doesn't make sense to me." He also emphasized the significance of political donations, saying: "Companies are also in the position of sharing the cost of democracy."

13) Administrative Reform Minister Amari cites over 30% public support as minimum requirement for Diet dissolution

MAINICHI (Page 5) (Full)  
April 29, 2009

In a press conference yesterday, State Minister for Administrative Reform Akira Amari said regarding the dissolution of the House of Representatives for a snap election:

"Minimum requirements for the government (to decide to dissolve the Lower House) are the passage of the supplementary budget bill and budget-related bills, as well as over 30% public support."

14) Aso calls for early passage of supplementary budget

ASAHI (Page 4) (Excerpts)  
April 29, 2009

In representative interpellations in both Houses about a fiscal policy speech delivered by Finance Minister and Economic and Fiscal Policy Minister Kaoru Yosano yesterday, Prime Minister Taro Aso stressed the need for early passage of a fiscal 2009 supplementary budget, saying:

"The measures in the budget will contribute to accelerating the autonomous recovery of private demands and pushing up the nation's gross domestic product (GDP) growth rate by about 1.9%. The measures will also create about 400,000 to 500,000 jobs."

He made the above remark in replying to a question by Liberal Democratic Party member Kosuke Hori. From the opposition camp, criticism erupted of the budget involving fiscal spending of over 15 trillion yen to help finance additional economic measures. Democratic Party of Japan member Yukio Hatoyama claimed: "The government intends to repeatedly spend taxpayers' money wastefully and impose an additional burden on the people by hiking the consumption tax." Japanese Communist Party member Kensho Sasaki complained: "It is a temporary, port-barrel-type budget with no vision, with an eye on the next general election."

In response to these voices, Aso emphasized: "The extra budget will surely serve to prevent the economy from sinking deeper, secure

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jobs, and to strengthen the nation's economic growth potential." He added: "The size is big, but the measures are valid for a limited time, so it is not proper to criticize the budget as a pork-barrel budget."

The House of Representatives' Budget Committee will carry out a question-and-answer session on May 7-8 in the presence of all cabinet ministers, including Prime Minister Aso. The ruling camp is aiming at having the extra budget enacted in late May.

15) Prime Minister Aso stresses a "swift and absolutely thorough" response to the new-type influenza threat; Makes public appeal, fearing that his popularity might again slip

TOKYO (Page 2) (Full)  
April 29, 2009

Prime Minister Taro Aso, upon hearing of the (global) outbreak of a new strand of influenza, has been publicizing his stance of moving swiftly and using all possible measures to meet the problem. He has reasoned that if he fails to demonstrate crisis-management capability on a life-and-death issue for the populace, there is the possibility of his cabinet support rates, now recovering, once more slipping.

In a reply yesterday afternoon in the Lower House plenary session, Aso stressed: "The government is united, carrying out countermeasures at the airports and providing the public with information swiftly and accurately. We are making every effort to maintain safety and assurance in the nation."

The government, only 20 minutes after the WHO formerly raised the alarm level at 5:30 am, elevated the status of the liaison office in the Prime Minister's Official Residence (Kantei) to a task force. At 07:00 am, an emergency team was assembled of directors-general from relevant ministries and agencies and held a meeting at the Kantei.

The prime minister at 0800 ordered the setting up a countermeasures headquarters. That morning, he held a cabinet meeting, where a basic response policy course was adopted that included such measures as strengthening quarantine and entry inspections (at ports of entry). Health and Labor Ministry Masuzoe at his 07:00 am press conference proclaimed that there had been an outbreak of a new strain of influenza. He issued a policy of concentrating efforts on arriving passengers from outbreak countries at four airports, including Narita and Chubu.

The prime minister absolute wishes to avoid losing momentum on his now rising cabinet support rates by being burned on crisis management. A government source indicated that from the start the



government spread out a wide blanket, which could be removed if nothing happened. "It is now going well," the source said.

ZUMWALT